

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1628 - SB 1746

March 7, 2020

SUMMARY OF ORIGINAL BILL: Directs certain civil penalty recoveries to the Reward Pool Fund created by Tenn. Code Ann. § 40-8-105. Specifies how such recoveries are required to be distributed.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (016101): Deletes and replaces all language after the enacting clause such that the only substantive change is authorize the Attorney General and Reporter (AG) to withhold any amount necessary to cover costs incurred resulting from enforcement prior to depositing a civil penalty into the Reward Pool Fund.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 47-18-2302(a), unless specifically outlined as an exception, it is an offense for a person, in connection with a telecommunications service or an interconnected VoIP service, to knowingly cause any caller identification service to transmit misleading or inaccurate caller identification information to a subscriber with the intent to defraud or cause harm to another person or to wrongfully obtain anything of value.
- Pursuant to Tenn. Code Ann. § 47-18-2304(a) and (b), the AG is authorized to bring an action against a person who violates Tenn. Code Ann. § 47-18-2302(a) to prevent further violations and to recover a civil penalty of up to \$30,000, which is to be deposited into the state's General Fund.
- This legislation specifies that: (1) civil penalties up to \$30,000 will be rewarded to any person who reports a person violating Tenn. Code Ann. § 47-18-2302(a) that leads to a recovery; (2) a reward of an amount equal to the recovered penalty will be rewarded to a person for recoveries less than \$30,000; and (3) if more than one person reports

information that leads to a recovery, each person will receive a pro rata share of the reward.

- Based on information provided by the AG's Office, there have been zero actions filed and zero penalties collected under Tenn. Code Ann. § 47-18-2304(a).
- Although this legislation may lead to a shift in recovery funds from the General Fund to the Reward Pool Fund or to the AG, as there have been no actions filed and no recoveries, any impact to state government is estimated to be not significant.
- Based on information provided by the Department of Treasury, no funding has been donated or contributed to the Reward Pool Fund.
- In the event that a person reports information that leads to the collection of civil penalty revenue, any such revenue will be offset by a corresponding reward expenditure. The net impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/amj